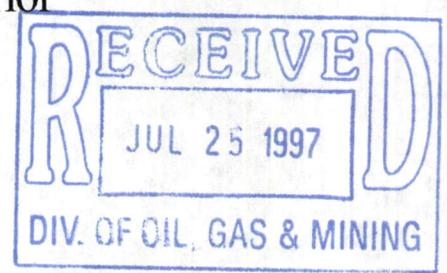


M/047/013



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



AUG 22 1997

IN REPLY REFER TO
3550
UTU-76312
(UT-932)

DECISION

Ziegler Chemical & Mineral Corporation : **Gilsonite Fringe Acreage**
100 Jericho Quadrangle : **Lease UTU-76312**
Jericho, New York 11753 :

Gilsonite Fringe Lease Issued

Executed lease forms and stipulations for gilsonite fringe acreage lease UTU-76312 were received by our office on July 21, 1997. All of the requirements under 43 CFR 3556 have been met and the subject lease is hereby issued effective August 1, 1997. Copies of the fully executed lease forms are enclosed for your records.

~~Bond coverage for the subject lease is provided by Ziegler's \$47,000 statewide bond, Bond No. 105812.~~

Rental for the first lease year has been satisfied. Subsequent rental payments are payable annually on or before August 1, 1998, to the Minerals Management Service, Royalty Management Program, Solid Minerals Staff, P. O. Box 25165, Mail Stop 3153, Denver, Colorado 80225-0165.

/s/ ROBERT LOPEZ

Robert Lopez
Group Leader
Minerals Adjudication Group

Enclosure
Executed Lease

cc: Ziegler Chemical & Mineral Corporation, Attn: Norm Haslem, Star Route, Vernal, Utah 84078

bc: Vernal Field Office, Attn: Howard Cleavinger

Utah Division of Oil, Gas & Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801

CSeare:cs(07/21/97)

M/047/013



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
3504
U-0115850 et al
(UT-932)

JUL 22 1997

CERTIFIED MAIL--Return Receipt Requested

DECISION

Principal/Obligor

Ziegler Chemical & Mineral Corporation
100 Jericho Quadrangle, Suite 140
Jericho, New York 11753

: Gilsonite Lease U-0122694
: BLM Bond No.:
: Bond Type and Amount:
: \$5,000 Treasury

Surety:

Frontier Insurance Company
195 Lake Louise Marie Road
Rock Hill, New York 12775-8000

: Gilsonite Leases U-0115850,
: U-0122693, U-0122694,
: U-0124568, U-0126939, and
: UTU-76312 (Fringe Acreage)
: Surety Bond No. 105812
: Bond Amount: \$47,000

COWBOY
FIELD

Additional Bond Amount Required

In accordance with 43 CFR 3504.1-6, the bond amount may be increased when additional coverage is determined appropriate. The Utah State Office is recommending that the amount of your current \$47,000 Statewide Surety Bond and the \$5,000 Treasury Bond be consolidated into one Statewide Bond in the amount of \$132,000.00.

The bond increase is based on the following information:

1. Rent @ \$3.00 per acre = \$4,760.00
2. Royalty @ \$74,250.00
3. Reclamation @ \$52,218.54

A bond calculation summary has been enclosed for your records.

Bond information and the current bond forms are enclosed for your use. If you do not agree with the recommended bond amount, you must submit written justification to this office. You are allowed 60 days from receipt of this notice in which to comply. An extension of time may be granted if your request is submitted in writing within the 60 day compliance period.

ROBERT LOPEZ

Robert Lopez
Group Leader
Minerals Adjudication Group

Enclosures

- Bond Summary Sheet
- Bond Forms

cc: Ziegler Chemical and Mineral Corporation, Attn: Norm Haslem, Star Route, Vernal, Utah 84078

bc: Utah Division of Oil Gas, & Mining, Attn: Tony Gallegos, 1594 West North Temple, Suite 1212, SLC, Utah 84114-5801

Vernal Field Office, Attn: Howard Cleavinger

CSeare:cs (07/20/97) Zieglerbond